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RUEHKT/AMEMBASSY KATHMANDU 8939  
RUEHLM/AMEMBASSY COLOMBO 7786  
RUEHNE/AMEMBASSY NEW DELHI 9661  
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RHHMUNA/CDR USPACOM HONOLULU HI  
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TAGS: [PGOV](#) [PREL](#) [BG](#)

SUBJECT: INDIAN VISIT SIGNALS SUPPORT FOR BANGLADESH  
GOVERNMENT

Classified By: A/DCM D. MCCULLOUGH, Reasons: Para 1.4 (d)

¶1. (C) Summary. The Indian foreign minister's upbeat visit to Dhaka has fueled Pakistani apprehensions that Indian influence is on the rise in Dhaka. Under these circumstances, it is hard to see the Indian government, widely perceived to be very close to the Awami League, supporting Sheikh Hasina's threat to hit the streets if elections are not held by May. End Summary.

¶2. (SBU) Concluding his one-day visit to invite Bangladesh to attend the April SAARC meeting in New Delhi, Indian External Affairs Minister Pranab Mukherjee declared on February 19 that Indo-Bangladeshi relations are now on an "irreversible higher trajectory." According to local press reports, the two sides agreed to:

- Permit the annual duty-free entry to India of two million pieces of Ready Made Garments (RMG) from Bangladesh;
- Ease Indian restrictions on importing Bangladeshi cosmetics; and
- Expedite the start of passenger train service between Sealdah and Joydevpur.

¶3. (SBU) Asked about Indian plans to divert waters from 1500 MW Tipaimukh dam project, Mukherjee assured Bangladeshis, who are concerned that the project would deprive the Surma and Kushiara rivers of their normal flows, that India has no intention of diverting water at the Tipaimukh project.

¶4. (C) Bangladesh Institute of International Strategic Studies (BIISS) analyst Dr. Abdur Rob Khan complained to poloff that there is large-scale smuggling to West Bengal of Bangladeshi garments, and that duty-free access is simply "a recognition of what is happening informally." As for the promise not to divert water from the Tipaimukh dam project, "We have heard these promises before, so it's not substantially different." In addition, he said, Bangladesh would have problems fulfilling its part of the train service agreement because of the poor state of Bangladeshi railroads. However, Khan acknowledge, the good news is "the Indians are positively disposed to conduct business with this government."

¶5. (C) Mukherjee's visit has fueled Pakistani apprehensions that Indian influence in Dhaka is on the rise. In a February 21 meeting with Ambassador, Pakistan High Commissioner Alamgir Babar noted India has even offered to sell Bangladesh electricity from West Bengal when India itself has shortages.

He acknowledged widespread rumors, which we have heard from contacts in both parties, that he has encouraged the leaders of the Awami League and the Bangladesh Nationalist Party to work together to force early elections to dislodge the current government. Asked if the rumors were true, he stiffly replied that Islamabad is watching developments here closely.

16. (C) Comment: The sourness of the BIISS analyst aside, the visit of Mukherjee indicates a striking improvement in bilateral atmospherics. Under these circumstances, it is hard to see the Indian government, widely perceived to be very close to the Awami League, supporting Sheikh Hasina's threat to hit the streets if elections are not held in May.  
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